

Message Text

CONFIDENTIAL

PAGE 01 STATE 103993

70

ORIGIN ARA-06

INFO OCT-01 ISO-00 EB-03 L-01 SP-02 SS-14 INR-05 INRE-00

SSO-00 /032 R

DRAFTED BY ARA/NC/C:JFMAISTO:JVM
APPROVED BY ARA: WILLIAM D. ROGERS
EB/IFD/ODF: MR. GELBARD
ARA/LA-MRSD: MR. LION
ARA/ECP: MR. KNEPPER
ARA/NC: MR. DEVINE
ARA - MR. LUERS

----- 015999

P 031935Z MAY 75
FM SECSTATE WASHDC
TO AMEMBASSY BOGOTA PRIORITY

C O N F I D E N T I A L STATE 103993

STADIS////////////////////////////////////
LIMDIS

E.O. 11652: GDS

TAGS: EAID, CO

SUBJECT: COLOMBIAN REQUEST FOR IDB LOAN DISBURSEMENT
EXTENSION

REF: BOGOTA 2993

FOR AMBASSADOR VAKY FROM ASSISTANT SECRETARY ROGERS

1. AT MY DIRECTION ARA/LA HAS CONDUCTED A THOROUGH
REVIEW OF THE COLOMBIAN REQUEST FOR THE U.S. TO SUPPORT
A SECOND ONE-YEAR DISBURSEMENT EXTENSION TO AN IDB
LOAN FOR RURAL ROAD CONSTRUCTION. CONSENSUS IN THE
DEPARTMENT, WITH WHICH I CONCUR, IS TO SUPPORT THE
BANK MANAGEMENT IN THIS MATTER AND NOT TO VOTE IN FAVOR
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 103993

OF AN EXTENSION - SHOULD THE COLOMBIANS RAISE THE ISSUE

IN THE BANK (SO FAR THEY HAVE NOT).

2. IN YOUR CONTACTS WITH GOC OFFICIALS TO RESPOND TO THEIR PAST APPROACHES ON THIS MATTER, YOU MAY MAKE THE FOLLOWING POINTS:

(A) STANDING U.S. POLICY IS TO SUPPORT IDB BANK MANAGEMENT IN EFFORTS TO IMPROVE IDB DISBURSEMENT RATES AND TO REDUCE EXCESSIVE PIPELINES.

(B) IF THE U.S. GOES ALONG WITH THIS REQUEST IT WOULD ENCOURAGE OTHER COUNTRIES TO SEEK U.S. SUPPORT WHEN THERE IS DISAGREEMENT WITH BANK MANAGEMENT - AS IS THE CASE IN THE COLOMBIAN REQUEST.

(C) OUR OBJECTIVE CONTINUES TO BE TO KEEP TECHNICAL, DEVELOPMENTAL, AND FINANCIAL CRITERIA THE DETERMINING FACTORS IN QUESTIONS OF THE U.S. VOTE ON DISBURSEMENT EXTENSIONS. THE U.S. NEEDS THE UNDERSTANDING OF THE LARGER, RELATIVELY MORE DEVELOPED, COUNTRIES OF THE HEMISPHERE IN QUESTIONS SUCH AS THESE.

(D) THE U.S. IS SYMPATHETIC TO COLOMBIA'S PROBLEM. WE ARE CONFIDENT THAT THE RURAL ROAD SYSTEM CAN BE COMPLETED - PERHAPS THROUGH ANOTHER LOAN FROM THE IDB.

(E) THE U.S. HAS SUPPORTED THE EXTENSION OF DISBURSEMENT DATES FOR A VERY LIMITED NUMBER OF IDB LOANS IN THE PAST. IN ALL OF THEM THERE HAVE BEEN EXTENUATING CIRCUMSTANCES NOT PRESENT IN THE COLOMBIAN CASE (SUPPORT OF BANK MANAGEMENT, INTERNAL IDB DELAYS, SIGNED CONTRACTS WITH SUBLENDERS THAT HAD TO BE HONORED, COUNTRIES IN DIRE ECONOMIC STRAITS THAT NEEDED SPECIAL CONSIDERATION SUCH AS URUGUAY, BOLIVIA, NICARAGUA).

(F) THE U.S. IS CURRENTLY OPPOSING DISBURSEMENT EXTENSIONS TO TWO 1967 ARGENTINE LOANS. WE ARE SURE THAT OTHER POSSIBLE REQUESTS NEVER CAME TO A VOTE IN ANTICIPATION OF U.S. OPPOSITION.
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 103993

3. SHOULD THE SPECIFIC CASES OF U.S. SUPPORT FOR RECENT DISBURSEMENT EXTENSIONS FOR URUGUAYAN AND BRAZILIAN LOANS BE RAISED, YOU SHOULD MAKE FOLLOWING POINTS:

(A) URUGUAY LOAN FOR REFRIGERATOR PLANTS: THE BANK SUPPORTS THE EXTENSION; THERE ARE SUNK COSTS CONSISTING

OF HALF BUILT REFRIGERATOR PLANTS; THE IDB IS PARTLY TO
BLAME FOR DELAYS; THERE ARE OUTSTANDING OBLIGATIONS
TO SUB-CONTRACTORS; THERE IS AN IMMEDIATE BALANCE
OF PAYMENTS FACTOR AND FOREIGN EXCHANGE IMPACT; URUGUAY
IS IN DIRE ECONOMIC STRAITS.

(B) BRAZILIAN RURAL ELECTRIFICATION: THE TWELVE
MONTH EXTENSION GRANTED IN FEBRUARY 1975 TO DISBURSE
4,023,000 MILLION DOLLARS (13 PERCENT) OF THE 30 MILLION
DOLLARS LOAN IS DUE TO OUTSTANDING CONTRACTUAL OBLIGATIONS
TO SUB-CONTRACTORS (SIGNED LETTERS OF COMMITMENT) THAT

MUST BE HONORED. THE BANK MANAGEMENT ALSO SUPPORTED
THIS EXTENSION.

4. A PRINCIPAL FACTOR IN OBTAINING U.S. SUPPORT IN
THESE MATTERS IS THE POSITION OF IDB MANAGEMENT.
WE TEND TO SUPPORT THEIR VIEW. SHOULD THE GOC CONVINCE
THE IDB MANAGEMENT THAT THE COLOMBIAN CASE IS EXCEPTIONAL
ENOUGH TO MERIT AN EXTENSION, THE U.S. WILL BE PREPARED
TO TAKE ANOTHER LOOK AT IT. KISSINGER

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, CONSTRUCTION, DEVELOPMENT LOANS, HIGHWAYS
Control Number: n/a
Copy: SINGLE
Draft Date: 03 MAY 1975
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE103993
Document Source: CORE
Document Unique ID: 00
Drafter: JFMAISTO:JVM
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750156-0319
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750582/aaaacxkj.tel
Line Count: 136
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: STADIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: STADIS
Reference: 75 BOGOTA 2993
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 05 SEP 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <05 SEP 2003 by SmithRJ>; APPROVED <19 NOV 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: COLOMBIAN REQUEST FOR IDB LOAN DISBURSEMENT EXTENSION
TAGS: EAID, CO, US, IDB
To: BOGOTA
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006